

TELETYPE 29

FORM NO.
FEB 1952 51-NAA

CENTRAL INTELLIGENCE AGENCY

CLASSIFICATION SECRET

SECURITY INFORMATION

INFORMATION REPORT

25X1A

REPORT NO.

CD NO.

COUNTRY China

DATE DISTR. 8 May 1952

SUBJECT Trade Conditions and Mining Development in
North China.

NO. OF PAGES 2

DATE OF INFO. 25X1A NO. OF ENCLS.
(LISTED BELOW)PLACE
ACQUIRED

25X1X

SUPPLEMENT TO
REPORT NO.

1. The overt shipping routes for Chinese Communist imports are: from Poland to Tientsin, from Portugal to Tientsin, and from India to Tientsin. The covert lines of shipment are said to be: from Japan to Dairen, from India to Singapore to Macao, and from Southeast Asia to Macao.
2. The Chinese Communists purchase military and major industrial supplies through two channels: their own trade agencies which they support secretly, and through foreign commercial firms which are frequently under neutral flags. Goods purchased by the trade agencies are shipped by their own secret transportation facilities, but the goods purchased by the private firms must be delivered to China by the purchasing agent.
3. Chinese Communist foreign trade transactions are usually handled by import-export companies. The private businessman must apply to the export company for clearance to export commodities which have been authorized for export by the Ministry of Trade. Certain special commodities such as soya beans, bristles, and coal, can be handled only through export companies and private businessmen are only permitted to sell such items to the export companies. In order to import items which are authorized by the government for import, private dealers must apply to the import company for clearance. In addition the import company retains the right to purchase these import commodities at the official price.
4. Standard trade procedure between China and the USSR consists of direct barter with the official trading company of the USSR. This trading company has a number of agencies in North and Northeast China which are called "Sino-Soviet Native Products Trading Companies". The head office for North China is in

25X1

CLASSIFICATION SECRET

SECRET

25X1A

-2-

Tientsin; it is run by Pin-pu-ssu-chi, the Tientsin representative of the Soviet Trade Delegation. This office has branches in Kalgan, Taiyuan, Peiping, and Tsinan. Chinese exports consist chiefly of peanut oil, bristles, hide, furs, animal bones, and tea leaves. Soviet items are mainly chemicals, machinery, and various daily necessities of Soviet manufacture.

5. By the end of February 1952 more than 120 Soviet mining engineering specialists had been transferred from mines in the Northeast to various mines in North China. The Metal Mining Administration of the Ministry of Heavy Industries has come to an agreement with the Soviet commercial representatives in Peiping for cooperation in exploiting, shipping, and selling minerals. The mineral output of North China is expected to increase greatly, but at the same time the Soviet advisers and technical experts will gain more direct control over such operations.

SECRET